



ATTACHMENT II

TO: J. W. Best
P. J. Cundari
S. G. Hanes
E. M. McAtee

FROM: J. R. Helm

SUBJECT: Identification of "Full Partner" Private Label Brands

DATE: March 22, 1994

There is a need to clear up apparent confusion in some circumstances about the direction the field should follow in trying to keep our brands competitive at retail. When our brands are being undersold and one of our private labels is present, should we give buy-down support to one of our general market low end brands or to the private label?

As the success of a private label brand depends primarily upon the willingness of our contracted private label customer to get fully behind it and work it, we will apply additional resources only where the customer is a Full Partner. Otherwise, our best opportunity is with our general market brands.

In order for us to have throughout our organization a clear understanding of when we should provide additional support to help our private label brands and when we should not, the Forsyth group has initiated a new set of qualifications to identify Full Partner customers.

The Forsyth group over the next 30 to 60 days will be looking at all private label brands to see which customers qualify as Full Partner. We will be informing our contracted customers of the results of this review. We will be also informing them that if they meet the qualifications, the RJR sales organization will provide additional support at retail for their private label brand. If they do not meet the qualifications, the RJR sales force will not provide additional private label support, and will instead focus on one of our general market brands.

I have attached the qualifications and the field sales action plan when a partner qualifies (Attachment A). When I receive the qualified full partner list from our Forsyth National Account Managers, the identified partners will be sent to you in order that you can inform your field sales personnel to support the "Full Partner". Peer Marketing members will be qualified by your personnel through a special letter going to them the week of 4/18.

We believe that with this procedure in place, all levels of our sales organization will be in a position to understand which private label brands Forsyth and RJR are going to work at retail.

J. R. Helm

Attachments

51846 8091